



DEPARTMENT OF HEALTH AND HOSPITALS

MEDICAL VENDOR ADMINISTRATION Program Integrity Section

Request for Information for

Comprehensive Fraud, Waste and Abuse Solution

RFI# 3000005656

Release Date: May 13, 2016

Responses Due By: June 13, 2016

www.dhh.louisiana.gov



Executive Summary

The Louisiana Department of Health and Hospitals (DHH) is highly committed to administering the Medicaid program with integrity and, as stewards of public dollars, will not tolerate fraudulent, wasteful or abusive behavior. Through a realignment of DHH's fraud, waste and abuse system to better fit DHH's current health care delivery models (fee-for-service and managed care), DHH hopes to significantly increase cost avoidance and recoveries. Key objectives of realignments are to:

- identify areas of fraud, waste and abuse in both the fee-for-service (FFS) and managed care programs operating in Louisiana Medicaid;
- recover improper payments on behalf of Medicaid through the use of post-payment data mining and investigations;
- identify patterns of fraud, waste and abuse through creative, innovative strategies that enable DHH to prevent fraud, waste and abuse before it occurs;
- identify right-sizing local staff augmentation needs in order to carry out responsibilities of ensuring that the Medicaid program has sufficient staff to perform program integrity functions; and
- enter into a contract for an operating system which will allow real-time data-mining and investigations and allow real-time access to DHH's comprehensive and complete data contained in its internal data warehouse.

DHH intends to enter into contract(s) with one or more vendors that are capable of demonstrating delivery of a comprehensive post-payment review operation that provides state of the art technologies, effective and efficient policies and processes and expert staff to combat fraud, waste and abuse, which will protect the fiscal integrity of the Louisiana Medicaid program.

Responders are encouraged to propose efficient options for providing solutions that enable Louisiana Medicaid to reach its goals, including recommending what resources will be required such as information technology infrastructure, state staff time, or other resources. Responders should address both the operating system component as well as the local staff augmentation component in this Request For Information (RFI).

This RFI is issued as a means of technical discovery and information gathering. It is for planning purposes only, and should not be construed as a solicitation for services or a request for proposals (RFP), nor should it be construed as an obligation on the part of the state to purchase services. This RFI is not a means of pre-qualifying vendors for any subsequently issued RFP related to this RFI.



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Participation in this RFI is voluntary, and neither the DHH nor the State of Louisiana will pay for any costs related to the preparation and submission of the requested information. All submissions in response to this RFI will become the sole property of the DHH.

Vendors should refer to the response format in this document for clarification of the nature of information sought by DHH.

For the purposes of this RFI, the provisions of the Louisiana Public Records Act (La. R.S. 44.1 *et. seq.*) will be in effect. Pursuant to this Act, all proceedings, records, contracts, and other public documents relating to this RFI shall be open to public inspection. Proposers are reminded that, while trade secrets and other proprietary information submitted in conjunction with this RFI may not be subject to public disclosure, protections must be claimed by the proposer at the time of submission of its Technical Proposal. Proposers should refer to the Louisiana Public Records Act for further clarification.

Agency Overview

The mission of DHH is to protect and promote health and to ensure access to medical, preventive, and rehabilitative services for all citizens of the State of Louisiana. DHH is dedicated to fulfilling its mission through direct provision of quality services, public and private sector partnerships, and the utilization of available resources in the most effective manner.

DHH includes the Bureau of Health Services Financing (BHSF) which is the single state Medicaid agency for Louisiana. BHSF administers the Medicaid Program for the State of Louisiana, in accordance with federal guidelines from the Centers for Medicare and Medicaid Services (CMS).

The Program Integrity Section within BHSF is responsible for provider enrollment, payment error rate measurement (PERM) and detection of fraud, waste and abuse within the Louisiana Medicaid program. BHSF currently has a contract with its fiscal intermediary to perform the Surveillance and Utilization Review functions of the Louisiana Medicaid Program.

Louisiana Medicaid currently has approximately 38,000 enrolled Medicaid providers in its FFS program. Of those, approximately 10,000 bill Louisiana Medicaid over \$600 per year. Currently in Louisiana, more than 1.2 million people are enrolled in Medicaid.

DHH continues to transform Medicaid, moving away from a strictly fee-for-service system and effectively coordinating enrollees' health care. Overall, coordinating care leads to better access, more choices and improved health for patients, with provider rates no less than those in fee-for-service Medicaid.

Managed care under DHH is fully capitated (except for a highly specialized children's behavioral health plan) and provides for services through Healthy Louisiana, which is the fully integrated physical and behavioral health managed care program. There are five managed care organizations (MCOs) within



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Healthy Louisiana. There is one dental Prepaid Ambulatory Health Plan (PAHP) operates in Louisiana as well. Finally, there is a Prepaid Inpatient Health Plan (PIHP) for children who are at risk of out-of-home placement due to severe behavioral health needs. The five Healthy Louisiana Plans, as well as the dental PAHP receive a per member per month (PMPM) for each enrollee covered) to provide core benefits and services, with any prior authorizations and claims payment handled directly through the MCOs. The PIHP is paid on a non-risk basis.

Programs and Benefits

For detailed information on programs and benefits, please visit the following website:

www.makingmedicaidbetter.com

Although some covered services and benefits remain FFS, Healthy Louisiana is the primary method through which most Louisiana Medicaid and LaCHIP recipients receive health care services.

Services included are as follows:

- Hospital, both inpatient and outpatient
- Ambulatory surgical services
- Ancillary medical
- Lab and x-ray
- Surgical dental
- Diagnostic services
- Organ transplant and related services
- Family planning
- Early Periodic Screening, Diagnostic, and Treatment (excluding Applied Behavioral Analysis and dental)
- Emergency medical
- Communicable disease
- Durable medical equipment, prosthetic, orthotics, and certain supplies
- Emergency dental services
- Home health
- Personal care services (age 0-20)
- Hospice
- Licensed mental health professional services
- Mental health rehabilitation services
- Substance use/addiction
- Inpatient psychiatric care
- Therapeutic group home
- Clinic services
- Physician services
- Pregnancy related services
- Labor and delivery
- Nurse midwife services
- Pediatric and family nurse practitioner services
- Chiropractic (age 0-20)



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- Federally Qualified Health Care Services (FQHC)
- Rural health clinics (RHC)
- Immunizations
- End stage renal disease
- Home health extended care (age 0-20)
- Optometrist (age 21 and older)
- Podiatry
- Post-stabilization services
- Therapies – Physical, Speech, Occupational, Audiology
- Respiratory services
- Pharmacy
- Pediatric Day Health Care
- Preventive services
- Psychiatric residential treatment facilities (PRTFs)
- Tenancy support services
- Non-emergency medical transportation

Services outside the scope of Healthy Louisiana include services rendered by home and community based waiver providers, nursing facility services, Applied Behavior Analysis, services provided in ICF/DD settings, Personal Care Services for ages 21 and over, targeted case management services, and services provided through the Early Steps program.

The Coordinated Systems of Care, which is managed through a PIHP, provides behavioral health services for children at risk of out-of-home placement and includes the following additional behavioral health services for this population: Crisis stabilization, independent living/ skills building, parent support and training, short-term respite, and youth support and training.

DHH has contracted with a managed care organization to provide the following dental benefits for eligible Medicaid enrollees:

- **Preventive and diagnostic benefits**, including: dental cleanings, exams, x-rays, fluoride, sealants, and more.
- **Therapeutic benefits** to treat cavities, gum or tooth pain, or other dental problems including: fillings, extractions, root canals, dental emergencies, and more.

The PAHP offers the following dental benefits for adults.

- **Diagnostic benefits**, including: exams and x-rays.
- **Prosthodontic benefits**, including: complete and partial dentures.

On January 12, 2016, Governor John Bel Edwards signed an executive order (JBE 16-01) to begin the process for expanding Medicaid in Louisiana no later than July 1, 2016. Expansion will make Medicaid available to the 300,000 to 450,000 adults living in Louisiana who do not currently qualify for full Medicaid



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coverage and cannot afford to buy private health insurance. Expansion will have the following consequences:

- Expansion benefits will include the same benefits as those now enjoyed by adults with full Medicaid coverage. **SERVICES WILL START July 1, 2016.**
- The expansion population will be enrolled in managed care.

Operation Overview

The fraud, waste and abuse solution should provide 3 *primary* components:

- A comprehensive operational plan – prospective, as well as a retrospective system to be utilized to combat fraud, waste and abuse in both a fee-for-service environment, as well as managed care.
- Sufficient local staffing (clinical and data analysts, medical consultants, managers, clerical support, phone operators, etc.) with the skill sets to conduct fraud, waste and abuse investigations (from complaint intake to recovery completion).
- A Surveillance and Utilization Review System Subsystem (SURS) that will meet or exceed CMS certification standards and profile claims electronically, as well as serve as the primary analytics tool for the analysts.

Additional Objectives and Requirements

1. The solution should have the following capabilities: data integration, analytic model generation tools, enterprise business intelligence and reporting, portals, dashboards, geo-mapping, anomaly detection and alert generation, social network analysis, enterprise case management, alert management and investigation prioritization.
2. The solution should display the ability to “overlay” upon DHH’s current MMIS.
3. The solution should have the capability to analyze the likelihood of recovery and the scope of financial impact.
4. The solution should have the ability to reduce false positives and improve investigation efficiency.
5. The solution should have the potential to interact with fraud and abuse systems currently in use by other statewide agencies.
6. The solution should have a secure fraud management portal.
7. The solution should have a case management system that tracks cases, outcomes and statistical information on oversight activities.
8. The solution should have a hotline via telephone or intranet with a data management system component that receives and tracks complaints from outside sources



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The response to this RFI is anticipated to reflect the various components and implementation issues related to: 1) a comprehensive operational plan, 2) a SURS subsystem system component that meet the above requirements and 3) a local staff augmentation component. The response should include your areas of expertise and your experiences in other states. Results of prior experiences and outcomes will be useful and results should include how these individual components improved or enhanced the state's efforts at fraud, waste and abuse detection and recoveries. Responders are encouraged to be as detailed as possible and encouraged to suggest and comment on any other related issues not specifically outlined herein.

Responders should describe their approach to providing the components requested herein that includes the following:

- Roles, functions and job descriptions of KEY staff;
- Issues DHH should include in any Request for Proposals; and
- Timeline necessary for implementation.

Responses should be limited to fifteen (15) 8 ½ x 11 pages and identified as SURS Enhancement RFI on the electronic subject line. Responses should be delivered via email.



RFI Requirements Process

Participation in RFI

All vendors interested in participating in this RFI should send an electronic copy of their response to the email address below:

State of Louisiana
Department of Health & Hospitals
Bureau of Health Services Financing
George Bucher
George.bucher@la.gov
Medicaid Program Manager

Please include the additional information below in your response:

- Corporate background and experience
- Oversight approach and methodology for differing medical delivery modes (fee-for-service versus managed care)
- Implementation timeframe of solution
- Discussion of the pros and cons of the approach submitted

Liabilities of Agency

This RFI is only a request for information about potential products/services and no contractual obligation on behalf of DHH or BHSF whatsoever shall arise from the RFI process.

This RFI does not commit the DHH or BHSF to pay any cost incurred in the preparation or submission of any response to the RFI.

Confidentiality and RFI Ownership

RFI Ownership: All responses to the RFI will become the property of DHH and will not be returned.